



H & R WATERWORKS, INC.

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Phone: 360-357-3277 Fax: 360-357-3758

January 28, 2008

Mr. Jim Ward
Washington Utilities and
Transportation Commission
PO Box 47250
Olympia WA 98504-7250

Reference: Surcharge Quarterly Report

Dear Mr. Ward:

Please find enclosed the Cedar Shores Surcharge Report for the quarter ending December 31, 2007.

The Cedar Shores customer count for October, November and December was 35.

If you have any questions concerning the report, please let me know.

Sincerely,

Robert D Mattler

H & R Waterworks, Inc.

 Company

UW- 002051

**SURCHARGE REPORTING
 FOR THE QTR ENDING December 31, 2007
 DOH Capital Improvements**

Fund Balance Per Last Report **\$ 3,574.17**

Surcharge funds billed

Month	Number of Connections	Amount Billed	Amount Collected
Surcharge	35		1,417.08
PUT	35		71.27
Total Received during quarter			\$ 1,488.35

Surcharge funds expended

Month	Project/Loan	Date of Payment	Total Payments
Principal			\$ 337.88
Interest			1,020.37
PUT			71.27
Total Payments during quarter			\$ 1,429.52

Fund Balance at end of quarter **\$ 3,633.00**

Loan Balance start of Quarter	\$ 39,544.55
Principal Paid during quarter	\$ 337.88
Interest Paid during quarter	\$ 1,020.37
Loan Balance end of Quarter	\$ 39,206.67

Completed by Robert D Mattler

Date 01/28/08

Note: Insure monthly bank statements are attached for reporting period.